

DRAFT

CHE MEETING

Oct. 11, 2001

Agenda Item 2

MINUTES OF THE MEETING

South Carolina Commission on Higher Education

1333 Main Street, Suite 200

Columbia, SC

September 6, 2001

MEMBERS PRESENT

Mr. Dalton B. Floyd, Jr., Chairman
Ms. Margaret M. Addison
Ms. Rosemary H. Byerly
Ms. Dianne Chinnes
Ms. Susan Cole
Ms. Cathy Harvin
Dr. Vermelle Johnson
Dr. Harry Lightsey, Jr.
Gen. Thomas R. Olsen
Mr. Dan Ravenel
Mr. Carl Solomon

MEMBERS ABSENT

Ms. Lorraine Dimery
Dr. Larry Jackson
Dr. David E. Shi

STAFF PRESENT

Dr. Rayburn Barton
Ms. Camille Brown
Mr. Michael Brown
Ms. Julie Carullo
Ms. Joellen Cook
Ms. Lorinda Copeland
Ms. Renea Eshleman
Mr. Gary Glenn
Ms. Betsy Gunter
Ms. Yolanda Hudson
Mr. Walter Jackson
Mr. Alan Krech
Ms. Lynn Metcalf
Dr. Gail Morrison
Ms. Christina Pandimos
Dr. Mike Raley
Mr. John Smalls
Ms. Jan Stewart
Dr. Mike Smith
Dr. Karen Woodfaulk

GUESTS

Dr. Corey Amaker
Dr. James Arrington
Ms. Denise Beres
Ms. Cammy Berry
Ms. Betty Boatwright
Mr. Art Brown
Dr. Anthony Coyne
Ms. Kay Coleman
Ms. Donna Collins
Dr. Chip Condon
Mr. Robert Connelly
Ms. Mary Jo Cook
Mr. Tom Covar
Mr. Robert Cuttino
Mr. William Daniel
Mr. Jeff Davis
Mr. Tony Dickerson
Mr. Daniel Dukes
Ms. Mary Eady
Mr. Bob Eisenhower
Mr. David Fleming
Ms. Linda Floyd
Mr. Nicholas Gillerese
Mr. Rusty Guill
Mr. Gary Hanson
Mr. John Henson
Dr. Tom Higard
Col. Curt Holland
Dr. Sally Horner
Dr. Jim Hudgins
Mr. David Hunter
Mr. Charlie Jeffcoat
Ms. Karen Jones
Mr. Rick Kelly
Ms. Star Kepner
Mr. Thornton Kirby
Mr. Jay Kispert
Mr. Rod Kruse
Dr. Carol Lancaster
Mr. Russell Long

Mr. Scott Ludlow
Ms. Amanda Magshund
Ms. Kimberly Marino
Dr. Harry G. Matthews
Mr. Gary McCombs
Mr. J.P. McKee
Ms. Amanda McKee
Ms. Chris Mee
Mr. Bob Mellon
Col. Spike Metts
Dr. Bob Mignone
Mr. Jim Myers
Ms. Phyllis Myers
Ms. Cathy Novinger
Ms. Jackie Olsen
Ms. Rose Pellott
Ms. Carol Price
Mr. Oscar Prioleau
Mr. Damon Qualls

Dr. Ron Rhames
Mr. Charles Shawver
Mr. Gordon Shuford
Dr. Wilbur Shuler
Dr. Jackie Skubal
Ms. Christine Smalls
Mr. Emory Smith
Ms. Lindy Smith
Ms. Virginia Steel
Dr. John Sutusky
Mr. Jonathan Trail
Dr. Lovely Ulmer-Sottong
Mr. Chad Webster
Mr. Richard Williams

Members of the Press

For the record, notification of the meeting was made to the media as required by the Freedom of Information Act.

The meeting was called to order at 10:30 a.m. by Chairman Floyd.

1. Introductions

Mr. Michael Brown was then asked to proceed with the introductions of guests.

Chairman Floyd recognized Dr. Jim Hudgins of the State Board for Technical and Comprehensive Education (SBTCE) who introduced Cathy Novinger, SBTCE Chair, Jim Myers and Oscar Prioleau SBTCE members; and Art Brown and Carolyn Price of the Commissioners' Association.

2. Approval of Minutes

A **motion** was made (Ravenel), **seconded** (Byerly) and **carried** to approve the minutes as submitted.

Chairman's Report

-Chairman Dalton Floyd

Chairman Floyd announced that Dr. Mitchell Zais would be inaugurated as President of Newberry College on Friday, September 7 and Dr. Tom Hallman would be installed as the University of South Carolina Aiken's third chancellor on Monday, September 10.

All Commissioners were invited to attend the University of South Carolina's Bicentennial Celebration, *University Day* on Tuesday, September 11.

The FIPSE Conference on Performance Funding will be held at Hilton Head Island September

20-23, with presenters from 13 states and Canada participating in the program.

Brochures will be mailed out the week of September 10 for the *Higher Education Summit*, being held at Coastal Carolina University on October 12. Governor Hodges has confirmed that he will deliver the keynote address. Facilitators for the Summit will be provided by the National Governors Association and the Rand Corporation. A reception for participants will be hosted by the Baruch Foundation at Hobcaw Barony on the evening of October 11. The Commission meeting will be held at Coastal Carolina on October 11 and the *Higher Education Summit* on Friday, October 12. Dr. Lightsey was recognized and outlined the plans for the tour, program and reception.

The Carolina Conference on Quality, designed to heighten the awareness and use of quality principles (the Malcolm Baldrige Quality criteria) in the continuous improvement of higher education institutions and state agencies, will be held September 29 - October 2 at the Myrtle Beach Martinique Resort Hotel, sponsored jointly by Coastal Carolina University and Datatel, Inc.

3. Committee Reports

3.01 Report of the Executive Committee

-Chairman Dalton Floyd

A. The Executive Committee had a retreat and discussion on August 3 and the following issues were addressed:

1. It was felt that we should do a better job on our public relations and we are making efforts to improve that in press releases prior to meetings, public contact and various leadership meetings with editorial boards and publishing highlights of each meeting.
2. It was also suggested that we go to a full CHE meeting every second month, beginning January 2002. The Executive Committee would meet as required between those times. There would also be mini-retreats in the fall for the standing committees, another Executive Committee retreat in January 2002 and a full CHE retreat in the fall of 2002. There was no objection.
3. On the legislative agenda, the budget request and the capital facilities are to be covered in the finance report. On the question of funding parity, there was a discussion and it was decided that it should be deferred for one year due to the budget constraints.

There was discussion about proposing amendments to the Palmetto Fellowship Scholarship Program to remedy the devaluation caused by increased value of the LIFE scholarship. Also, there are licensing issues being dealt with by Academic Affairs.

4. On Technology/Distance Learning, the finance committee was asked to develop guidelines to encourage cooperative technology purchases by the colleges and

universities. We have also been advised that SREB now has a program concerning cooperative purchasing by universities, both public and private, in which the commission will participate.

5. On performance funding, full implementation is proceeding and it was felt that we should avoid any further revisions in 2002 in order to create stability in the system.
6. The Strategic Plan has been distributed and is to be discussed today in the report from the Committee on Planning, Assessment & Performance Funding.
7. The Campus Safety Forum is the end of February. The Executive Committee discussed having CHE develop an annual Commendation of Excellence Award to be presented to the two-year and four-year institutions determined to have the best model for campus safety.

3.02 Report of the Committee on Academic Affairs and Licensing

-Ms. Dianne Chinnes

A. Consideration of Report on Postsecondary Institution Licensing, including 2 Licensing Requests:

1. Initial Licenses to Recruit in South Carolina:

High-Tech Institute, Orlando, Florida
Specialized Associate Degrees in Medical Assistant, X-Ray Technician,
Surgical Technologist, and Computer Networking & Information Technology
and

High-Tech Institute, Nashville, TN
A.O.S. Degrees in Medical Assistant, Surgical Technologist, and
Computer Networking & Information Technology; A.S. Degree in X-Ray
Technician

2. Initial License: Central Michigan University, Mount Pleasant, MI, at Beaufort Memorial Hospital, Beaufort, SC M.S., Administration with a Concentration in Health Services Administration

Ms. Chinnes pointed out that this report was a continuation of licensing requests from the July 12 meeting, at which time the Commission requested that staff provide additional information. Today, Emory Smith, Assistant Attorney General, reviewed his letter (**ATT II**) with regard to the questions posed by the Commission at the last meeting. Mr. Smith stated that this was just his personal legal opinion and advice and not a formal or even advisory opinion of the Office of the Attorney General. The question was whether or not the Commission may adopt criteria for licensing nonpublic institutions which would take into account the need for such programs or duplication of existing efforts at other institutions

and whether or not a moratorium may be imposed on granting licenses while these matters are reviewed. It was Mr. Smith's opinion that a safer legal course of action may be to obtain legislative authorization for these measures before proceeding with them.

Dr. Barton reported that the staff met with Mr. Jimmy Aycock and Mr. Larry Sorrell of the Office of Material Management for an opinion regarding the question raised at the last meeting with regard to the procurement code, i.e., whether or not any prohibition exists to public institutions allowing private institutions to use their facilities. The letter received in reply is part of **Attachment II**. Their opinion was that academic courses and programs per se are not covered by the procurement code. They were to send letter so stating.

Ms. Chinnes stated that staff also met with the Office of General Services on the question about leases from the last meeting. The understanding now is that if total control of the space is retained by the institution, it doesn't have a lease aspect.

Based on existing information and discussions by the Executive Committee, licensing requests from the last meeting that were deferred were brought back for consideration. One of those, from Gardner-Webb, has been withdrawn. On behalf of the Committee on Academic Affairs, a **motion** (Chinnes) was made, **seconded** (Byerly) and **carried** to approve the initial requests from Central Michigan University and High Tech Institute. Both requests were thoroughly reviewed and discussed at the last meeting.

The Committee on Academic Affairs requested input from the full Commission as to what additional action, if any, it would like to take with respect to making changes to current statutes or regulations.

Dr. Barton recommended that staff complete the study it has already begun, which is a 50-state review of what other states do in this area and secondly that the Chair of the Committee on Academic Affairs appoint a task force that would have representatives from both Academic Affairs and Finance to study this issue and take a detailed look at it and bring back recommendations for what changes need to be made, either in legislation or policy.

Ms. Harvin suggested that all standing committees are affected by this issue and Ms. Chinnes suggested that Ms. Harvin represent the Finance Committee and that a member of each of the standing committees be appointed to serve on the task force which will meet and send recommendations back to the Committee on Academic Affairs and that the staff continue their work on the study in progress. This was stated as the **motion** (Chinnes). It was **seconded** (Ms. Harvin) and **carried**.

3.03 Report of the Committee on Access, Equity

& Student Services**-Ms. Sue Cole**

Presentation of the Mercury Award, Special Public Relations Programs

The Wordsmith, Inc.

Ms. Cole announced the presentation of the Mercury Award, which was presented to the Commission and to the GEAR UP Program by Mary Eady of The Wordsmith, Inc. The award recognizes the quality of the South Carolina GEAR UP Program.

3.04 Committee on Finance and Facilities**-Mr. Daniel Ravenel**

Ms. Byerly began by thanking all finance officers of the institutions for allowing her to participate in their retreat. Many of the issues on the agenda today were discussed.

She also brought to the Commission the idea (coming from the finance officers) of having some of the college presidents, some of the finance officers, and perhaps the Executive Committee or other members of the Commission, confer on the total picture of the needs of the state higher education institutions; and the idea of approaching key business leaders throughout the State to approach members of the General Assembly, reinforcing how vital higher education is to economic development in our State. Hopefully this will be discussed with the Commission Executive committee.

A. Consideration of Plan 2003 – The Funding Plan for FY 2003 for Colleges and Universities (ATT III)

A \$150 million increase was presented to the General Assembly last year and that same amount is being requested this year, consisting of three components: 1) \$90 million for performance funding, 2) \$30 million for technology infrastructure, and 3) \$30 million to fund the Research Investment Fund. On behalf of the Committee on Finance and Facilities, a **motion** (Byerly) was made, **seconded** (Ravenel) and **carried** to adopt Plan 2003.

B. Consideration of Below-the Line Items

Projects presented are not covered by the MRR. Requests are received from the institutions; they are reviewed and analyzed by staff as to whether or not they reach eligibility requirements and guidelines. **Attachment IV** is a revised summary of the items for review. Recommendations are presented and voted on individually.

Staff Recommended, and since Committee approval, **Committee now recommends that:**

1. No additional requests from the institutions be considered since budget requests from institutions include research, technology, and deferred maintenance funding; and since the Commission's budget includes funding on behalf of the institutions for these items. (Items 4, 5, 11, 12, 18, 19, 20, 21 and 23)*

On behalf of the Committee on Finance and Facilities, a **motion** (Byerly) was made, **seconded** (Chinnes) and **carried** to approve recommendations as stated.

2. The eight items approved from last year be approved. (Items 1, 3, 7, 13, 25, 26, 27, and 28)*

On behalf of the Committee on Finance and Facilities, a **motion** (Byerly) was made, **seconded** (Harvin) and **carried** to approve recommendations as stated.

3. Item 23*, the only new item recommended by staff be approved.

On behalf of the Committee on Finance and Facilities, a **motion** (Byerly) was made, **seconded** (Ravenel) and **carried** to approve recommendations as stated.

4. For all recurring and non-recurring items requesting an increase, the amount equivalent to the Higher Education Price Index (HEPI) be approved. (Items 2, 6, 8, 9, 10, 14, 15, 16, 17, and 24)*

On behalf of the Committee on Finance and Facilities, a **motion** (Byerly) was made, **seconded** (Harvin) and **carried** to approve recommendations as stated.

*Please refer to ATT IV where all items are listed by corresponding number

C. Consideration of Exceptional Capital Projects

Attachment V lists the Capital Projects requests. In 1998 a policy was adopted to allow for requests of priority projects from institutions when there was no bond bill. There are 137 projects totaling approximately \$819.4 million. Staff recommendations were discussed among the finance officers and the Committee on Finance and Facilities. "In light of the significant amounts remaining to be funded, staff/Committee proposes that no new projects be submitted or considered for 2002-2003 ECP. We understand that these projects have not been adjusted for inflationary increases that have occurred since the initial approval. ... If institutional priorities have changed, an institution may remove a project from the list, or substitute a new project in lieu of an existing approved project on the list. ..." On behalf of the Committee on Finance and Facilities, a **motion** (Byerly) was made, **seconded** (Cole) and **carried** to accept the recommendation as fully stated in Attachment V.

D. Consideration of CHE Budget Requests for 2002-2003

First priority is the Statewide Higher Education Statewide Library. The budget request is for a total of \$117,194,100. Dr. Barton mentioned that all of these are from previous years that have been funded or ones that were requested last year, with the exception of the funding for two FTEs for implementation of the lottery program. That was also requested last year but not funded. It's essentially last year's budget resubmitted. On

behalf of the Committee, a **motion** (Byerly) was made, **seconded** (Ravenel) and **carried** to approve the budget request (**ATT VI**).

E. Consideration of Interim Capital Projects

On behalf of the Committee on Finance and Facilities, a **motion** (Byerly) was made, **seconded** (Olsen) and **carried** to approve the Interim Capital Projects as presented in **Attachment VII**.

F. Information Item: Status of Institutional Life-Safety Plans

This item requires no action on the part of the Commission and is for information only. The full report on the Life-Safety Plans are **Attachment VIII**.

3.05 Report of Committee on Planning, Assessment and Performance Funding

- Gen. Tom Olsen

A. Consideration of staff recommendations for Indicator 2D, Compensation of Faculty, standards applicable in Performance Year 2001-02 to Impact FY 2003-04 (Year 6)

This recommendation to finalize standards for 2D after further study of data used in developing recommendations initially reviewed by the Committee in July, as outlined in **Attachment IX**. On behalf of the Committee on Planning, Assessment & Performance Funding, a **motion** (Olsen) was made, **seconded** (Harvin), and **carried** to approve the recommendation as fully stated in Attachment IX.

B. Consideration of staff recommendations for implementing indicators 6A/B, 7A, and 9A as defined for MUSC

Gen. Olsen explained that indicator 6A/B is designed to assess the entrance requirements for entering graduate students; indicator 7A is designed to assess the completion rate of graduate students in all programs except PhD; and indicator 9A is designed to assess MUSC's grant expenditures as related to improving the health of pre-kindergarten- up to grade 12-age children. On behalf of the Committee on Planning, Assessment and Performance Funding, a **motion** was made, **seconded**, and **carried** to approve the recommendation as fully stated in Attachment IX.

C. Information Item: Briefing on the draft Strategic Plan for Higher Education in South Carolina

Dr. Smith was asked to explain the draft document of the *Strategic Plan for Higher Education in South Carolina* included in the supporting documents. He stated that this was still a draft document, which had been in progress since last spring. There is a Planning Advisory Council with representation from the different sectors, from the Budget and Control Board, and also from the State Department of Education, that has been working on this draft. The intention was to update the Strategic Plan for Higher Education in South Carolina and to do it in a way that reflects the overall broad agenda that encompasses the aspirations of the different institutions and the different sectors, both

public and private. The intention is to move this forward while additional input is solicited and to have it be placed on the table as one of the items that would be up for discussion at the Board Chairman's retreat in October at Coastal Carolina University. Any changes or adjustments would then come back to the Planning and Assessment Committee before being forwarded to the full Commission. The full draft document is **Attachment X**.

4. Report of the Executive Director

Rayburn Barton

- ◆ Dr. Barton announced that a reception for Dr. Smith would be immediately following this meeting and everyone was invited.
- ◆ With regard to the *Miles to Go: South Carolina* project with the Southern Education Foundation. They have had a change in leadership and this has set the timeline back. We have received a working draft of the report on South Carolina. Our task force will begin meeting again this month to review that report and will have, at the December meeting, the final product of this work with the Southern Education Foundation.

Presentation: There was a presentation on the College Net Electronic Applications by Robert Barkley, Director of Admissions, Clemson University and Don Burkhard, Director of Admissions, College of Charleston.

Dr. Barton explained that this process allowed a student in this state to apply simultaneously to 12 institutions.

5. Other Business:

Adjournment: There being no further business, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Betsy R. Gunter
Recording Secretary

Attachments I-X

*Attachments are not included in this mailing, but will be filed with the permanent file of these minutes and are available for review upon request.